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Dialog Launches Internet E-Commerce Strategy

(Planet Retail aims to attract some of the \$327 bil in electronic commerce predicted by 2002)

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**ABSTRACT:**

The Dialog Corp in partnership with Junglee Corp has launched Planet Retail, a Web-based comparative shopping service for consumers. Dialog notes that electronic commerce is expected to grow from \$8 bil in 1997 to \$397 bil by 2002, according to forecasts from Forrester Research Inc.

Planet Retail presently offers price comparisons from about 100 Internet retailers in 11 main categories. A 2nd phase of Planet Retail, planned for the 1st qtr of 1999, will allow consumers to make purchases directly from the site.

The article reviews the features and usability of the site.

**TEXT:**

Planet Retail, a comparative shopping service from Dialog, debuts

by Paula J. Hane

In late July, The Dialog Corporation launched Planet Retail (<http://www.planetretail.com>), a Web-based comparative shopping service for consumers, and unveiled its plans for targeting the e-commerce marketplace, including the business-to-business market. In its press release, Dialog cited forecasts from Forrester Research, Inc., estimating that "the intercompany e-commerce market will grow from \$8 billion in 1997 to \$327 billion by 2002," and noted that, according to Odyssey, "nearly 30 percent of online households made a purchase over the Internet in the last 6 months." Seeing the potential for new revenue sources, the new Dialog management has definitely decided to face the Web head-on with its own all-Net products.

**Phase On--The Consumer Market**

The first phase of the Planet Retail service leverages a partnership with the Junglee Corporation, which powers other shopping services and arranges for participating retailers. The opening screen of Planet Retail is a bit corny (in my estimation--sorry, Dialog ...), with little green men in space vehicles. "Welcome to Planet Retail--The Internet Superstore. The world's most cost-effective online shopping guide." The next screen announces, "Planet Retail Junglee Shopping Guide--Structured by InfoSort--Powered by Junglee." At the moment, Planet Retail is very similar to WebMarket.com, another Junglee distribution partner.

→ Users are able to search the Internet through Planet Retail's user-friendly, point-and-click interface to determine the best available online prices from approximately 100 Internet retailers in 11 main categories, from books to clothing to electronic products. Planet Retail allows users to quickly search and select products based on information such as brand names, product types, and price. The user is able to sort the resulting table of matching goods by any of the available criteria, such as price, brand, or the merchant providing the goods, and links are provided to enable the user to order the goods from the merchant.

A Dialog representative said it would be adding additional retailers as well as working with existing retailers to increase their exposure on the system. Initial participants in this phase, which is entirely sponsored by advertising, include many familiar retailers, such as Amazon.com, Barnes & Noble, CD Now, Dell Computers, Eddie Bauer, FAO Schwartz, Land's End, Music Boulevard, The Gap, Wal-Mart, Disney, and Office Depot--as well as many I'd not heard of, such as Chumbo, Fossil, and videoflicks. A full list of companies was included in the press release, but I was unable to get a list

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of participating merchants from the Planet Retail site, either in total or by category, as I could on WebMarket.com.

#### Phase Two

The second phase of Planet Retail will add the capability for consumers to make purchases directly from the Planet Retail site. Planet Retail will provide confirmation receipts from all retailers and total the expenditures from within the service, relieving users from entering credit card information for each retailer.

In addition, the second phase will incorporate Dialog's InfoSort data indexing technology, enabling users to browse product reviews, company profiles, and relevant news and research to ensure that they are getting the best value for the money. Furthermore, users will be able to elect to be alerted to new products in particular sectors, or relevant information about those products.

The Planet Retail initiative is led by Andre Brown, director of strategic alliances and special projects at Dialog. He reports that phase two is planned for the first quarter of 1999. I asked him about possible fees for the additional information--the reviews, profiles, and news. He stated that "There may be some for-free data, but information about product reviews, etc., will be very valuable to anyone seeking to make an online purchase, especially for the higher-value ticket items, and so such data will be made available on a chargeable basis. This is our normal business model for Dialog and Profound."

#### The Business-to-Business Market

In the business-to-business market, the company is developing a complete solution for purchasing managers in small, medium, and large organizations. Scheduled for release in the first quarter of 1999, this solution will provide a purchase management system to reside on an organization's corporate intranet, allowing purchasing managers to predetermine budget allocations for each individual within the company. DialogNet, the company's secure network backbone developed to support the information services business, will also provide security for transactions between companies and suppliers.

I asked Brown to provide more details on what information would be included. He stated that "It will build upon the existing product/price comparison model and will look to include integration with a corporate purchase management system, as well as centrally aggregating the purchasing decisions, so that individual users can order many items from many disparate vendors all in one go without having to jump to each individual site. Dialog will aggregate the purchase decisions and pass the transaction details to each individual vendor."

#### A First Look

The perception of success rate for searches will of course vary by category, product, and the number of merchants matching the request, and will undoubtedly improve as retailers are added. I ran some sample searches to put this new service to the test.

When I searched for audio speakers by Bose in the Home Audio/Theatre subcategory under Electronics, I found four entries from Spiegel and JC Penney, but not the outdoor model I wanted. I had better success in the Department Stores category under electronics, finding the exact model at a competitive price--though all nine hits were from Service Merchandise. A search for a particular digital camera by Fuji found four hits from a single retailer, but the price wasn't competitive with what I'd found on a specialty site (<http://www.camem.com>), or on the shopping channel at Excite (<http://www.excite.com>), which has a "product finder powered by Janus." My search for jazz CDs by an artist was quite successful, and retrieved a very large list. Though it didn't report the total number of hits, I did like the feature to sort by price. Music Boulevard offered the best deal on a title, and when I clicked through to its site, I was able to browse titles and listen to sound samples.

Dialog shows savvy in partnering with Junglee--reusing what is already available on the Net, rather than starting from scratch. Now it needs to show how it can build upon that base. The first phase implementation does nothing to cope with typos--a sound-alike feature, increasingly found on other sites, would be a welcome addition. The company will also have some stiff competition from similar **comparative shopping** ventures; others have studied those same market forecasts. Some sites now offer shopping knowbots. Many of the portals are adding shopping channels. Consumers afflicted with Net "freebie-it's" may resist paying for the reviews and other information in phase two, though Dialog's business customers may be very willing to pay for getting this extra data. Dialog is boldly treading new turf with this e-commerce initiative.

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INDUSTRY NAMES: Information industry; Online services

PRODUCT NAMES: On-line service providers (737500)

CONCEPT TERMS: All market information; All product and service information ; Industry forecasts; Market size; Product introduction; Users

GEOGRAPHIC NAMES: North America (NOAX); United States (USA)

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